



HOUSE  
BUDGET  
REPUBLICANS

# Budget Digest

Ranking Member Steve Womack

March 11, 2019

## THE PRESIDENT'S FY20 BUDGET REQUEST

Today, the Trump Administration submitted its formal budget request for Fiscal Year (FY) 2020 to Congress.

**What Is the President's Budget Request?** While Congress holds the power of the purse, historically the President's budget request kicks off the [congressional budget process](#) in both the House and the Senate and serves as a starting point for lawmakers to determine funding levels and national spending priorities.

[Tomorrow](#), the House Budget Committee will welcome Office of Management and Budget Acting Director Russell Vought to testify on the administration's budget proposal, entitled *A Budget For A Better America*. Key components include:

**Steps Toward Deficit Reduction.** Under *A Budget For A Better America*, deficits as a share of gross domestic product (GDP) decline from 5.1 percent in 2019 to 0.6 percent in 2029 – a \$2.8 trillion reduction.

**Defense and Non-Defense Discretionary Spending.** The President's budget adheres to the defense and non-defense discretionary spending caps for FY 2020 as prescribed in the Budget Control Act, making requests for \$576 billion and \$543 billion respectively. Including requested funding for Overseas Contingency Operations (OCO), total defense spending is \$750 billion in FY 2020. In the budget request, defense spending grows to \$807 billion in 2029, while non-defense discretionary funding is reduced to \$443 billion that same year.

**Mandatory Savings.** Mandatory spending today accounts for 70 percent of all federal spending and is the biggest driver of our nation's deficits and debt. The President's request would achieve more than \$2 trillion in savings from direct spending proposals. These include: increasing State flexibility in Medicaid, addressing high drug prices in Medicare, and reforming the welfare system, federal student loans, and federal employees' benefits.

**Revenues.** The President's budget assumes revenue levels increase from \$3.4 trillion in 2019 to \$6.3 trillion in 2029.

**Economic Assumptions.** The administration projects real growth in GDP to average 2.9 percent annually over the next decade. The *Tax Cuts and Jobs Act* and regulatory reforms are primary contributors to this growth, which is similar to the long-term average rate of growth of the U.S. GDP.

Deficit Reduction Path in The President's Budget Request (\$ in Billions)

